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REVIEW AND EVALUATION OF WORK PROGRAMMES (MID-TERM)

Summary by the Officer-in-charge of UNCTAD of the work of the Mid-term Review Informal Working Group

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Introduction

1. It will be recalled that paragraph 68 of the Cartagena Commitment requires the Board to "conduct, midway between Conferences, a review and evaluation of the work programme of the intergovernmental machinery, including its own; of technical assistance programmes; and, bearing in mind the calendar established in this regard, of the Programme Budget and Medium-term Plan, so as to ensure full integration of all work undertaken by UNCTAD and to establish or adjust priorities for the period up to the following Conference."

2. For this purpose, a Mid-term Review Informal Working Group composed of representatives of States members of UNCTAD was established by the monthly consultations of the Secretary-General on 17 January 1994. The Informal Working Group held its first meeting on 4 February 1994 and was chaired by the Secretary-General of UNCTAD.

3. On the understanding that there would be no attempt to rewrite the provisions of the Cartagena Commitment, the first meeting confirmed that the work of the Informal Working Group would comprise:

(a) A review of the work programmes of UNCTAD intergovernmental bodies, in the context of which account would be taken of the extent to which effect has been given to the recommendations of UNCTAD VIII. This exercise would also include an assessment of the implementation of the institutional reforms contained in Part III of the Cartagena Commitment. It would in addition encompass a review of the structure of UNCTAD's intergovernmental machinery, including possible modifications in the structure of the Ad Hoc Working Groups, and an evaluation of the current focus of the various Standing Committees.

(b) A policy review of UNCTAD technical cooperation programmes, on the basis of the report submitted by Dame Margaret Anstee.

(c) The task of integrating more effectively the various areas of UNCTAD's work and looking again at priorities among sub-programmes and activities in the context of the Medium-term Plan and the Programme Budget.

4. The first meeting also agreed that the work of the Informal Working Group should proceed in an informal, transparent and open-ended manner. The objective would be to prepare and carry forward, as far as possible, the work required for

the Mid-term Review, including, if possible, the preparation of a draft document for adoption by the Board at its resumed session on the Mid-term Review in May 1994.

5. The Informal Working Group held a total of eight meetings, the results of which are reflected in the following summary by the Officer-in-Charge of UNCTAD.

Assessment of the post-Cartagena Experience

6. Considerable progress has been achieved in the implementation of the Cartagena Commitment. The process of intergovernmental deliberation, in particular the exchange of national experiences, has produced good results. The structures and working methods established by UNCTAD VIII have largely fulfilled expectations. Experience with the ad hoc working group mechanism has been especially valuable. The meetings of these groups have by and large been characterized by a high technical level of discussions; a substantial volume of work; and several conclusions providing orientations for future work and creating the premises for further movement in the dynamic and progressive sequence envisaged by the Cartagena Commitment.

7. At the same time, the work of the Mid-term Review Informal Working Group, the reports of the ad hoc Working Groups and the assessments by the Chairmen of the Standing Committees have helped to identify the following areas where scope exists for improvement and change:

(a) Given the existing resource constraints of member States and of the UNCTAD secretariat and calendar constraints between now and UNCTAD IX, a streamlining of the structure of the subsidiary bodies of the Board and of working methods seems necessary. In particular, it is felt that there should be fewer intergovernmental bodies and that these should have more focused mandates and be given more realistic and achievable objectives. There is also a need for fewer meetings as well as for more manageable agendas and less documentation.

(b) Care needs to be taken to avoid duplication, both within UNCTAD and between the work of UNCTAD's intergovernmental bodies and that of other organizations. At the same time, it is recognized that scope exists for productive duplication/complementarity.

(c) Another problem requiring attention concerns the difficulties faced by some interested developing countries, and in particular the LDCs, in

participating in the work of UNCTAD's intergovernmental bodies.

(d) More attention needs to be given to the Cartagena Commitment's call for making the outcomes of intergovernmental deliberations more policy and action-oriented, with a view to agreeing on implementable commitments whenever possible.

Trade and Development Board

8. The frequency, duration and content of the meetings of the Board have been determined by the Conference at its eighth session so that proposals for change in this regard would have to be put, as appropriate, to UNCTAD IX. (A proposal has been made that the Board should meet for three weeks once a year, including a high-level segment of three days. Another proposal calls for a ministerial-level meeting of the Board once between Conferences. In this regard the secretariat has been requested to examine the feasibility of the various proposals). In the meantime, there is scope for improving the effectiveness of the operation of the Board in the light of experience since UNCTAD VIII.

9. It is generally agreed in this regard that the agenda items chosen for consideration by the Board should be more sharply focused. Topics should be chosen which reflect UNCTAD's institutional comparative advantage as well as allowing for a degree of complementarity with the work of other organizations. It is also felt that there should be a lighter schedule of meetings and that the practice of inviting experts should be continued.

10. The choice of topics to be placed on the agendas of the Board would also have to be guided by the requirements of the Cartagena Commitment in this respect, as well as by the need to carry forward any work left outstanding from the Ad Hoc Working Groups which are to be wound up, and which would not be covered by the work programme of the new ad hoc working groups.

11. In the light of the above, the Board is requested to mandate the Consultations of the Secretary-General to identify topics to be placed on the agendas of the second part of its forty-first session in the spring of 1995 and of the first part of its forty-second session in the autumn of that year.

Executive session of the Board

12. The executive session remains a valuable mechanism even though it has not fully lived up to expectations. It is generally agreed that modalities can be worked out to make optimal use of this mechanism. Further modifications may be necessary, moreover, in the light of any decisions taken by UNCTAD IX on the frequency and scope of regular meetings of the Board.

13. It has been suggested that in the meantime the Board may wish to consider the holding of two types of meetings for the executive session. One would be a pre-sessional meeting called to deal with procedural/administrative/ organizational matters. The other, also to be convened at regular intervals between statutory meetings of the Board, at the level of permanent representatives, would handle policy matters. The agenda for both types of meeting would be agreed at the monthly Consultations of the Secretary-General. Another suggestion was to have more frequent executive sessions, perhaps every second month, in alternation with the Consultations.

Standing Committees

14. The Standing Committees (SC) have not been able to carry out enough of their work programmes to allow for an in-depth review of their performance at this stage. In any case, the Cartagena Commitment calls for such a review to be carried out immediately before UNCTAD IX. In the meantime, however, it is proposed that the agendas of the SCs should be more focused and made to reflect clear priorities.

15. For this purpose, forthcoming meetings of the SCs could consider two substantive topics which could be examined previously by expert groups. Greater benefit could be derived from the participation of experts at SC meetings themselves, moreover, by allocating more time for their presentations.

16. The Board might also wish to note the recommendations proposed by the Chairmen of the SCs and take them into consideration along with the above proposals.

Ad Hoc Working Groups

17. It is generally agreed that the five existing Ad Hoc Working Groups have addressed, albeit in varying degrees, all elements in their respective terms of reference and that they should be wound up.

18. It will be recalled that the Trade and Development Board, by its decision 399 (XXXIX) of 9 October 1992, established an Ad Hoc Working Group to

Explore the Issue of Structural Adjustment for the Transition to Disarmament. Efforts to establish the terms of reference for this Group have not been successful. Should this situation continue to prevail at the Mid-term Review, an alternative would be, in the light of paragraph 99 of the Cartagena Commitment, to place the issue of structural adjustment for the transition to disarmament and the implications for world economic growth and development on the agenda of a session of the Board.

19. Member States believe that the number of ad hoc working groups should be as limited as possible to permit expert, in-depth treatment of topics. It is recommended that the Board consider the creation of no more than three other groups.

20. The Cartagena Commitment requires that these working groups should have a very specific mandate. In order to achieve this objective and also to permit the new groups to start their substantive work immediately upon their formation, the Board is requested to approve terms of reference/work programmes and, at a subsequent executive session, agendas for the first meeting of the groups.

21. The discussions revealed a substantial amount of support for three new ad hoc working groups focusing respectively on topics encompassed by the following three broad themes: environment, trade and development; enterprise as an instrument of development; and [trading opportunities in the new international trade context] [new technical issues in the international trading system]. (See proposals of the Officer-in-Charge of UNCTAD, annex I). It is understood that broad policy aspects of some of the issues covered by the above working groups, such as sustainable development and trade policy, would be dealt with by the Trade and Development Board.

22. Support was also expressed for the holding of a seminar on regional economic arrangements and their relationship with the multilateral trading system.

23. With regard to trade efficiency, it will be recalled that the Ad Hoc Working Group on Trade Efficiency recommended that the Board should, at the resumed session, establish a Preparatory Committee for the United Nations International Symposium on Trade Efficiency (UNISTE). The Board might also consider convening an executive session immediately after the UNISTE in order to decide on the intergovernmental follow-up to work in this field.

Commission on Transnational Corporations and Commission on Science and Technology for Development

24. Member States believe that the Commissions on Transnational Corporations and on Science and Technology for Development should be integrated into the intergovernmental machinery of UNCTAD. They have also taken note that the Commission on Transnational Corporations, at its twentieth session on 11 May 1994, adopted a resolution in which it decided to recommend to the General Assembly through ECOSOC that this Commission should become a Commission of the Trade and Development Board under the title of "Commission on International Investment and Transnational Corporations". Without prejudice to the decision of ECOSOC and the General Assembly on this recommendation, the Board may wish to respond to the request addressed to it in that resolution to orient the programme of work of the Commission accordingly.

Policy review of technical cooperation

25. Having reviewed the report on "Technical cooperation: implementing the Cartagena Commitment" prepared by Dame Margaret Anstee and Mr. Leelananda de Silva (TD/B/40(2)/14), member States have reaffirmed their strong support for technical cooperation as one of the main functions of UNCTAD. While endorsing the overall thrust of the report with its emphasis on the need to strengthen UNCTAD's technical cooperation, the Board may wish to study further the policy proposals contained in the report and take specific action thereon in due course (See annex II).

Financial and programme issues

26. Member States agree that the participation of experts and officials involved in policy formulation is particularly useful and should be extended. However, such participation by developing countries, and by LDCs in particular, has been inadequate. In order to facilitate their participation, the Board might consider proposing financing from the programme budget under budget lines for travel of representatives and for ad hoc expert groups.

27. In the light of the outcome of the Mid-term Review, the Board will need to review priorities among sub-programmes in the Medium-term Plan. It is recalled that, in the revision of the Medium-term Plan for 1992-1997 carried out following UNCTAD VIII, the Board identified subprogrammes to be designated as having high priority. The Working Party on the Medium-term Plan and the Programme Budget will be reviewing revisions to the Medium-term Plan at its forthcoming session scheduled for 20-24 June 1994, and the Board would therefore need to decide on any changes in priority among subprogrammes as a result of the Mid-term Review.

Annex I

Possible issues for consideration by the ad hoc working group on environment, trade and development

1. Examination of the impact of environmental policies, standards and regulations on market access and competitiveness, in particular of the developing countries and countries in transition.

2. Review of the effect on developing countries and countries in transition of emerging environmentally motivated policy instruments with possible trade impacts.

3. Examination of eco-labelling and environmental certification programmes and possibilities for international cooperation thereon, taking into account the trade and sustainable development interests of producing countries, particularly developing countries and countries in transition.

4. Assessment of the market opportunities for exporters which may flow from the demand for "environmentally friendly" products.

Consideration should also be given to ways of promoting interaction and cooperation on trade and environment interlinkages between UNCTAD and other intergovernmental and regional organizations working in this field, such as UNEP, GATT/WTO and OECD.

Possible issues for consideration by the ad hoc working group on enterprise as an instrument of development

Examination of major factors, policies and measures which influence or promote entrepreneurial and enterprise development, especially development of SMEs, as an instrument of economic development and of export expansion:

1. Role of the State in privatization and in creating the enabling environment for the promotion of entrepreneurial and enterprise development, especially development of SMEs, with particular reference to:

   (i) human resources development;

   (ii) institution building and institutional support;

2. Export development and the role of SMEs;

3. Role of domestic capital markets, privatization and entrepreneurship in the mobilization of domestic and foreign financial resources, including foreign portfolio equity investment;

4. External support measures for financial sector and enterprise development, particularly development of SMEs.

Possible issues for consideration by the ad hoc working group on trading opportunities in the new international trading context

1. Identification of new trading opportunities arising from the implementation of the Uruguay Round agreements, in particular sectors and markets, with a view to assisting developing countries and countries in transition concerned to take full advantage of such opportunities.

2. Assessment of the implications for developing countries and countries in transition concerned of the new rules deriving from the Uruguay Round agreements and the follow-up work, and assistance to developing countries and countries in transition concerned as appropriate to make use of the special clauses of the Final Act providing differential and more favourable treatment.

3. Identification of the implications for trading opportunities of developing countries and countries in transition concerned of new and emerging issues on the international trade agenda.

It is understood that the working group would carry out its mandate under the guidance of the Trade and Development Board and take into account in particular the Board's in-depth analysis and assessment of the outcome of the Uruguay Round.

Annex II

Elements for a decision by the Trade and Development Board at the mid-term review on the policy review of technical cooperation

1. The Trade and Development Board reviewed the report on "Technical cooperation: implementing the Cartagena Commitment" prepared by independent consultants Dame Margaret Anstee and Mr. Leelananda de Silva at the request of the Secretary-General of UNCTAD (TD/B/40(2)/14).

2. The Board may wish to express its deep appreciation to the consultants for their contribution to its mid-term review of work programmes. The Board could regard the extremely rich, useful, and helpful report, which will serve as a point of reference for UNCTAD's future technical cooperation programme, as a fully satisfactory basis for the policy review.

3. The Board could then reaffirm its strong support for technical cooperation as one of the main functions of UNCTAD and, accordingly, could also endorse the broad thrust of the report of the consultants with its emphasis and recommendations on the need to strengthen technical cooperation.

4. Member States noted that the completion of the Uruguay Round, which creates new trading opportunities, and the continuing nature of multilateral trade negotiations call for an increase in the technical cooperation activities of UNCTAD so as to help interested countries strengthen their capacities to address current and new issues in international trade.

5. In addition, as the report pointed out, developing countries and countries in transition continue to seek UNCTAD's technical cooperation for sustainable development, as well as in such areas as commodities, trade efficiency, investment, technology and transnational corporations, debt management, entrepreneurship and services, including transport and logistics.

6. It was recognised that the implementation of the recommendations of the report would require the mobilization of additional resources. In this regard, the Board might welcome with appreciation the significant increase in contributions to UNCTAD trust funds for technical cooperation by donors and in some cases by developing countries themselves. Although further discussion was needed on the establishment of a general trust fund, the Board could appeal to donors to make additional resources available to UNCTAD for technical cooperation on an increasingly predictable basis.

7. The Board could note with regret the decline in the contributions of UNDP to UNCTAD's technical cooperation. It is recalled that the UNCTAD secretariat intends to enter into a policy dialogue with UNDP with a view to integrating the trade and related international dimensions into UNDP programmes to promote sustainable human development and to help alleviate poverty. According to the report, the UNDP Administrator is interested in such a dialogue. The Board may wish to appeal to UNDP to maintain and, wherever possible, increase its contributions for activities in the area of trade and development.

8. Although the report is addressed to the Board, several of the issues in the report (for example, much of Part VI, D) and the recommendations summarized in paras. 137-140 fall within the purview of the secretariat. The Board may wish to request the Secretary-General to report on the implementation thereof. However, in light of the interest expressed by member States in the establishment an autonomous non-profit-making consultancy firm closely associated with UNCTAD, the Board could request the secretariat to undertake a feasibility study thereon. In that context, it would agree to take note of the statement by the representative of Switzerland regarding possible support for such a study.

9. It was agreed to give further consideration to the preparation of a comprehensive policy statement on technical cooperation, as recommended by the report. Member States also felt that arrangements regarding the circulation of information on technical cooperation to the intergovernmental bodies should in one way or another be improved. Accordingly, the Board may wish to request the secretariat to develop elements of a comprehensive technical cooperation policy as well as specific arrangements for improving the flow of information on technical cooperation to the intergovernmental bodies and to inform the Working Party on the Medium-term Plan and Programme Budget at its session in September 1994 in this regard. Several member States would like the secretariat to continue its efforts to seek close working relations with other relevant organizations, including those mentioned in para. 131 of the report. Issues relating to cooperation at the operational level between UNCTAD and ITC need further consideration by the Board.

10. Member States also discussed the issue of training and human resource development for trade. At its thirty-ninth session in March 1993, the Board had examined, as a follow-up to the Cartagena Commitment, the need for strong national policies in this area. Member States stressed the need to implement in a comprehensive manner throughout UNCTAD a systematic approach to human resources development in the sector of trade and related services, by building on the experiences of TRAINMAR and TRAINFORTRADE and in close cooperation with other relevant organizations.

11. It was also noted that the report had recommended that the Working Party on the Medium-term Plan and Programme Budget review technical cooperation on an annual basis and that the Board itself consider technical cooperation once a year, on the basis of the comments and recommendations of the Working Party.

12. Member States felt that the Board was not able, for lack of time, to deal with all of the recommendations of the report of the consultants. It was therefore suggested that the Board agree to continue to review these matters and to convene a special executive session later in the year to agree on specific action on the issues raised above.